

1 **CLASS B AND CLASS C ROAD FUND AMENDMENTS**

2 2016 FOURTH SPECIAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Johnny Anderson**

5 Senate Sponsor: Wayne A. Harper

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions relating to funding for class B and class C roads.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ amends the apportionment formula for funds available for use on class B and class
- 13 C roads; and
- 14 ▶ makes technical changes.

15 **Money Appropriated in this Bill:**

16 This bill appropriates in fiscal year 2017:

- 17 ▶ to Transportation - B and C Roads Additional Support, as a one-time appropriation:
 - 18 • from the General Fund, \$3,000,000; and
 - 19 • from the Transportation Fund, \$2,000,000; and
- 20 ▶ to Transportation - B and C Roads, as a one-time appropriation:
 - 21 • from the Transportation Fund, \$5,678,000.

22 **Other Special Clauses:**

23 This bill provides a special effective date.

24 This bill provides retrospective operation.

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **63I-2-272**, as renumbered and amended by Laws of Utah 2008, Chapter 382

28 **72-2-108**, as last amended by Laws of Utah 2016, Chapter 1

30 *Be it enacted by the Legislature of the state of Utah:*

31 Section 1. Section **63I-2-272** is amended to read:

32 **63I-2-272. Repeal dates -- Title 72.**

33 (1) On July 1, 2018:

34 (a) in Subsection [72-2-108\(2\)](#), the language that states "and except as provided in
35 Subsection (10)" is repealed;

36 (b) in Subsection [72-2-108\(4\)\(c\)\(ii\)\(A\)](#), the language that states ", excluding any
37 amounts appropriated as additional support for class B and class C roads under Subsection
38 (10)," is repealed; and

39 (c) Subsection [72-2-108\(10\)](#) is repealed.

40 (2) Section [72-3-113](#) is repealed January 1, 2020.

41 Section 2. Section **72-2-108** is amended to read:

42 **72-2-108. Apportionment of funds available for use on class B and class C roads**
43 **-- Bonds.**

44 (1) For purposes of this section:

45 (a) "Graveled road" means a road:

46 (i) that is:

47 (A) graded; and

48 (B) drained by transverse drainage systems to prevent serious impairment of the road
49 by surface water;

50 (ii) that has an improved surface; and

51 (iii) that has a wearing surface made of:

52 (A) gravel;

53 (B) broken stone;

54 (C) slag;

55 (D) iron ore;

56 (E) shale; or

57 (F) other material that is:

58 (I) similar to a material described in Subsection (1)(a)(iii)(A) through (E); and

59 (II) coarser than sand.

60 (b) "Paved road" includes a graveled road with a chip seal surface.

61 (c) "Road mile" means a one-mile length of road, regardless of:

62 (i) the width of the road; or

63 (ii) the number of lanes into which the road is divided.

64 (d) "Weighted mileage" means the sum of the following:

65 (i) paved road miles multiplied by five; and

66 (ii) all other road type road miles multiplied by two.

67 (2) Subject to the provisions of Subsections (3) through ~~[(5)]~~ (8) and except as

68 provided in Subsection (10), funds in the class B and class C roads account shall be

69 apportioned among counties and municipalities in the following manner:

70 (a) 50% in the ratio that the class B roads weighted mileage within each county and

71 class C roads weighted mileage within each municipality bear to the total class B and class C

72 roads weighted mileage within the state; and

73 (b) 50% in the ratio that the population of a county or municipality bears to the total

74 population of the state as of the last official federal census or the United States Bureau of

75 Census estimate, whichever is most recent, except that if population estimates are not available

76 from the United States Bureau of Census, population figures shall be derived from the estimate

77 from the Utah Population Estimates Committee.

78 (3) For purposes of Subsection (2)(b), "the population of a county" means:

79 (a) the population of a county outside the corporate limits of municipalities in that

80 county, if the population of the county outside the corporate limits of municipalities in that

81 county is not less than 14% of the total population of that county, including municipalities; and

82 (b) if the population of a county outside the corporate limits of municipalities in the

83 county is less than 14% of the total population:

84 (i) the aggregate percentage of the population apportioned to municipalities in that

85 county shall be reduced by an amount equal to the difference between:

86 (A) 14%; and
87 (B) the actual percentage of population outside the corporate limits of municipalities in
88 that county; and

89 (ii) the population apportioned to the county shall be 14% of the total population of
90 that county, including incorporated municipalities.

91 (4) ~~[(a)]~~ If an apportionment under Subsection (2) made in the current fiscal year
92 ~~[2013-14]~~ to a county or municipality with a population of less than 14,000 is less than 120%
93 of the amount apportioned to the county or municipality from the class B and class C roads
94 account in fiscal year 1996-97, the department shall~~[(+)]~~ reapportion the funds under
95 Subsection (2) to ensure that the county or municipality receives ~~[an amount equal to]:~~

96 ~~[(A) the amount apportioned to the county or municipality from the class B and class C~~
97 ~~roads account in fiscal year 1996-97; plus]~~

98 ~~[(B) the amount apportioned to the county or municipality from the class B and class C~~
99 ~~roads account in fiscal year 1996-97 multiplied by the percentage increase in the class B and~~
100 ~~class C roads account from fiscal year 1996-97 to the most recently completed fiscal year; and]~~

101 (a) subject to the requirement in Subsection (5) and for fiscal year 2016 only, an
102 amount equal to:

103 (i) the amount apportioned to the county or municipality for class B and class C roads
104 in fiscal year 2015 multiplied by 120%; plus

105 (ii) an amount equal to the amount apportioned to the county or municipality in fiscal
106 year 2015 multiplied by the percentage increase or decrease in the total funds available for
107 class B and class C roads between fiscal year 2015 and fiscal year 2016;

108 (b) for fiscal year 2017 only, an amount equal to the greater of:

109 (i) the amount apportioned to the county or municipality for class B and class C roads
110 in the current fiscal year under Subsection (2); or

111 (ii) (A) the amount apportioned to the county for class B and class C roads in fiscal
112 year 2015 multiplied by 120%; plus

113 (B) the amount calculated as described in Subsection (7); or

114 (c) for a fiscal year beginning on or after July 1, 2017, an amount equal to the greater
 115 of:

116 (i) the amount apportioned to the county or municipality for class B and class C roads
 117 in the current fiscal year under Subsection (2); or

118 (ii) (A) the amount apportioned to the county or municipality for class B and class C
 119 roads through the apportionment formula under Subsection (2) or this Subsection (4),
 120 excluding any amounts appropriated as additional support for class B and class C roads under
 121 Subsection (10), in the prior fiscal year; plus

122 (B) the amount calculated as described in Subsection (7).

123 (5) For the purposes of calculating a final distribution of money collected in fiscal year
 124 2016, the department shall subtract the payments previously made to a county or municipality
 125 for money collected in fiscal year 2016 for class B and class C roads from the fiscal year 2016
 126 total calculated in Subsection (4)(a).

127 ~~[(ii)]~~ (6) (a) The department shall decrease proportionately as provided in Subsection
 128 ~~[(4)]~~ (6)(b) the apportionments to counties and municipalities for which the reapportionment
 129 under Subsection (4)(a)~~[(i)]~~, (b)(ii), or (c)(ii) does not apply.

130 (b) The aggregate amount of the funds that the department shall decrease
 131 proportionately from the apportionments under Subsection ~~[(4)]~~ (6)(a)~~[(i)]~~ is an amount equal
 132 to the aggregate amount reapportioned to counties and municipalities under Subsection
 133 (4)(a)~~[(i)]~~, (b)(ii), or (c)(ii).

134 ~~[(5)]~~ (7) (a) In addition to the apportionment adjustments made under Subsection (4), a
 135 county or municipality that qualifies for reapportioned money under Subsection
 136 (4)~~[(a)(i)](b)(ii) or (c)(ii)~~ shall receive ~~[the percentage change in the class B and class C roads~~
 137 ~~account compounded annually beginning in fiscal year 2006-07.] an amount equal to the~~
 138 amount apportioned to the county or municipality under Subsection (4)(b)(ii) or (c)(ii) for class
 139 B and class C roads in the prior fiscal year multiplied by the percentage increase or decrease in
 140 the total funds available for class B and class C roads between the prior fiscal year and the
 141 fiscal year that immediately preceded the prior fiscal year.

142 (b) The adjustment under Subsection [~~(5)~~] (7)(a) shall be made in the same way as
143 provided in [~~Subsection (4)(a)(ii)~~] Subsections (6)(a) and (b).

144 (8) (a) If a county or municipality does not qualify for a reapportionment under
145 Subsection (4)(c) in the current fiscal year but previously qualified for a reapportionment under
146 Subsection (4)(c) on or after July 1, 2017, the county or municipality shall receive an amount
147 equal to the greater of:

148 (i) the amount apportioned to the county or municipality for class B and class C roads
149 in the current fiscal year under Subsection (2); or

150 (ii) the amount apportioned to the county or municipality for class B and class C roads
151 in the prior fiscal year.

152 (b) The adjustment under Subsection (8)(a) shall be made in the same way as provided
153 in Subsections (6)(a) and (b).

154 [~~(6)~~] (9) The governing body of any municipality or county may issue bonds
155 redeemable up to a period of 10 years under Title 11, Chapter 14, Local Government Bonding
156 Act, to pay the costs of constructing, repairing, and maintaining class B or class C roads and
157 may pledge class B or class C road funds received pursuant to this section to pay principal,
158 interest, premiums, and reserves for the bonds.

159 (10) (a) For fiscal year 2017 only, the department shall distribute \$5,000,000 of the
160 funds appropriated for additional support for class B and class C roads among the counties and
161 municipalities that qualified for reapportioned funds under Subsection (4) before May 1, 2016.

162 (b) The department shall distribute an amount to each county or municipality described
163 in Subsection (10)(a) considering the projected amount of revenue that each county or
164 municipality would have received under the reapportionment formula in effect before May 1,
165 2016.

166 (c) The department may consult with local government entities to determine the
167 distribution amounts under Subsection (10)(b).

168 (d) Before making the distributions required under this section, the department shall
169 report to the Executive Appropriations Committee of the Legislature by no later than December

170 31, 2016, the amount of funds the department will distribute to each county or municipality that
171 qualifies for a distribution under this Subsection (10).

172 (e) The Executive Appropriations Committee of the Legislature shall review and
173 comment on the amount of funds proposed to be distributed to each county or municipality that
174 qualifies for a distribution under this Subsection (10).

175 **Section 3. Appropriation.**

176 The following sums of money are appropriated for the fiscal year beginning July 1,
177 2016, and ending June 30, 2017. These are additions to amounts previously appropriated for
178 fiscal year 2017. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
179 Act, the Legislature appropriates the following sums of money from the funds or accounts
180 indicated for the use and support of the government of the state of Utah.

181 ITEM 1

182 To Transportation - B and C Roads Additional Support

183 From General Fund, One-time \$3,000,000

184 From Transportation Fund, One-time \$2,000,000

185 Schedule of Programs:

186 B and C Roads Additional Support \$5,000,000

187 ITEM 2

188 To Transportation - B and C Roads

189 From Transportation Fund, One-time \$5,678,000

190 Schedule of Programs:

191 B and C Roads \$5,678,000

192 The Legislature intends that the \$2,000,000 appropriation in ITEM 1 and the
193 \$5,678,000 appropriation in ITEM 2 represent the portion of the fiscal year 2016
194 Transportation Fund revenue surplus apportioned for class B and class C roads under the
195 formula described in Subsection [72-2-107\(1\)](#).

196 **Section 4. Effective date.**

197 If approved by two-thirds of all the members elected to each house, this bill takes effect

198 upon approval by the governor, or the day following the constitutional time limit of Utah
199 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
200 the date of veto override.

201 Section 5. **Retrospective operation.**

202 The amendments to Section [72-2-108](#) in this bill have retrospective operation to May 1,
203 2016.